



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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Executive Director

April 1, 2014

Honorable Al Muratsuchi
California State Assembly
State Capitol, Room 4117
Sacramento, CA 95814

Dear Assembly Member Muratsuchi:

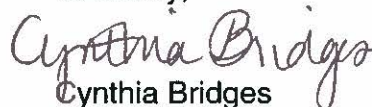
The members of the Board of Equalization recently voted unanimously to support your Assembly Bill 777 to create a property tax exemption for qualified space flight property from 2014 to 2024.

Prospectively resolves unsettled taxability issue. The issue of whether certain types of space flight property, specifically propulsion systems, qualify for exemption under the existing business inventory exclusion is currently unsettled. For the years the exemption is in effect, this bill makes it unnecessary to make classification determinations that impact taxability.

A property tax exemption helps ensure the continued presence and growth of the space flight industry in California, an emergent industry that is providing jobs.

If you have any questions or need additional information regarding this bill, please contact our Legislative Counsel, Michele Pielsticker, at (916) 322-2376.

Sincerely,


Cynthia Bridges
Executive Director

CB:ah

cc: The Honorable Kevin de León, Chair
The Honorable Mimi Walters, Vice Chair
The Honorable Ted Gaines
The Honorable Jerry Hill
The Honorable Ricardo Lara
The Honorable Alex Padilla
The Honorable Darrell Steinberg
Mr. Mark McKenzie, Staff Director
Mr. Robert Ingenito, Consultant
Mr. Joseph Shinstock, Senate Republican Fiscal Office